

Internal Controls Checklist

Cash Fund

- Petty cash or change is maintained and monitored.
- A custodian is responsible for the petty cash fund.
- The fund reimbursement is made directly to this custodian.
- Custodian has no access to accounting reports.
- Custodian has no access to cash receipts.
- Fund storage takes place in a physically secure place.
- Surprise audits are conducted periodically.
- No employees are permitted to cash checks.

Cash Receipts

- All cash custodians are bonded.
- All cash is deposited daily.
- A daily list of mail receipts is created.
- Daily reconciliation of cash collections is required.
- Cashier personnel are separated from accounting duties.
- Cashier personnel are separated from credit duties.
- The bank account is properly authorized.
- The bank has been instructed not to cash checks made by the practice to the practice.
- Comparisons are made between duplicate deposit slips and detail of accounts receivable.

Cash disbursements

- Recording, authorization, and check-signing functions are completely separate.
- Documentation to support payments is provided and reviewed prior to check disbursement.
- Control is exercised if a check signing machine is used.
- There is limited authorization to sign checks.
- Check signers have no access to cash records or receipts.
- Detailed listing of checks is required.
- No checks payable to cash are allowed.
- Checks are pre-numbered.
- Physical control over unused checks is provided.
- Mutilation is required for all voided checks.
- All disbursements are made by checks unless specifically authorized by petty cash.

Control over and prompt accounting for interbank transfers are exercised.

Bank Reconciliation

Reconciliation between receipts, bank and practice management system is conducted at least monthly.

Reconciliation between bank and accounting records is conducted at least monthly.

Person responsible for reconciling bank statements is independent from accounting or cashier duties.

Bank statement is sent directly to the person responsible for reconciliation.

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